



MEMORANDUM

To: Members of the House Committee on Tax Policy



From: Michigan Association of School Boards
Michigan Education Association
Michigan Association of School Administrators
Michigan Association of Intermediate School Administrators
AFT Michigan
Michigan Association of Secondary School Principals
Middle Cities Education Association
Michigan Elementary and Middle School Principals Association



MASA
Michigan Association of
School Administrators

RE: Opposition to House Bill 4643 and House Bill 4115

Date: Feb. 14, 2018



We write today in opposition to two different bills before your committee today. Both would reduce the revenue streams to the School Aid Fund.

House Bill 4643 revises the exemption to the State Real Estate Transfer Tax to increase the number of properties that would qualify. The amount of decrease in revenue is unknown at this time, however 100% of funds from this tax are dedicated to the School Aid Fund. So any reduction in revenue would directly affect total revenues in the SAF.



House Bill 4115 increases the sales tax exemption for fundraising sales made by nonprofits, churches, hospitals and others. While this is an unknown but likely small decrease in revenues, when added to the many other policies passed in recent years, revenue streams to the School Aid Fund continue to be eroded.



The Governor's 21st Century Education Commission released its report last summer and one of its major findings was the need to increase investment in education at all levels. Continued erosion of the revenue streams to our schools will limit resources for all students.



We urge you to look very closely at these bills and others like it and the collateral damage they have over time. Our schools will continue to struggle if the school aid fund does not receive the revenue necessary to support our students and communities.



We urge you to oppose these bills. If you have any questions, please feel free to contact any of us in the education community listed.